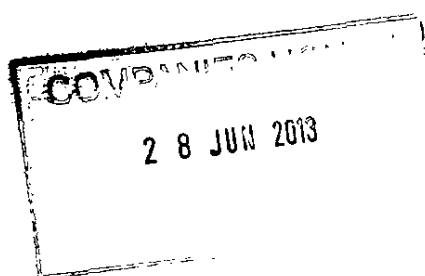


WRIGHTBUS LIMITED
REPORT AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30th SEPTEMBER 2012



Registration N.I. 6119

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WRIGHTBUS LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2012

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WRIGHTBUS LIMITED

DIRECTORS AND ADVISERS

Executive Directors:

J. Wright
M. Nodder
L. Rock
M. Johnston
D. Sterne
D. McGarry
B. Maybin
S. McLaren
G. Potter
M. Graham
P. Dykes
G. Whitehurst
S. Harper

Secretary and Registered Office:

Mrs. L. Macdonald
Galgorm Industrial Estate,
Ballymena,
Co. Antrim.
BT42 1PY

Registered Auditors:

Stevenson and Wilson,
Chartered Accountants and
Registered Auditors,
22 Broadway Avenue,
Ballymena.
BT43 7AA

Bankers:

Bank of Ireland,
Ballymena,
Co. Antrim.
BT43 6DG

WRIGHTBUS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30th SEPTEMBER 2012

The Directors present their report and the audited financial statements for the year ended 30th September 2012.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently:
- make judgments and estimates that are reasonable and prudent:
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements:
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each Director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Principal activities

The principal activities are the design, manufacture and sale of buses and associated products.

Post balance sheet events

No events have occurred since the year end which require reporting or disclosing in the financial statements.

WRIGHTBUS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30th SEPTEMBER 2012 (continued)

Results and dividends

The profit and loss account for the year is set out on page 8 and the results are summarised as follows:-

	2012	2011
	£000	£000
Turnover	156,535	132,767
Gross contribution	27,156	19,450
Research and development	3,215	2,042
Profit before taxation	3,851	1,316

Dividends totalling £2,000,000 were paid during the year, of which a substantial part will be used to finance the establishment of additional manufacturing operations for the Group, both in the United Kingdom and overseas.

Review of business and future development

The financial results for the year ended 30th September 2012 were satisfactory, with reasonable growth in most business sectors demonstrating that the Company's on-going commitment to substantial investment in research and development programmes has continued to be successful.

The strategic direction of the Company, with an increasing number of buses sold on an integral basis, most notably the new Streetlite single deck vehicle and the New Bus for London double deck bus, coupled with an expansion into overseas markets, has been supported by a strengthening of the senior management team and the business is now well placed to take advantage of further opportunities as they arise in the future.

The 2013 year has started well, as many bus operators in the key UK market, seek to augment their fleets in advance of the new Euro 6 emission standards in the knowledge that the Company's bus quality has never been better.

The key risks to the business in the future continue to be competition from other manufacturers, the demand for the company's products, management and control of the more diverse manufacturing operations and foreign currency fluctuation.

The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

WRIGHTBUS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30th SEPTEMBER 2012 (continued)

Financial instruments

It is the Company's policy to carry out its transactions in sterling where possible. Where there is significant exposure to fluctuations in the exchange rates of foreign currencies the Company enters appropriate forward contracts to mitigate the risk.

Directors

The Directors of the Company at 30th September 2012 were:

J. Wright
M. Nodder
L. Rock
M. Johnston
D. Sterne (appointed 11th June 2012)
D. McGarry
B. Maybin
S. McLaren
G. Potter
M. Graham
P. Dykes
G. Whitehurst
S. Harper

A Lennon was appointed director on 3rd January 2012 and left the Board on 25th June 2012. Directors retiring by rotation are M Nodder, S McLaren, M Graham, P Dykes and M Johnston.

Directors' interest in shares of the Company

At 30th September 2012 none of the Directors had any beneficial interest in the shares of the Company.

The beneficial interests of the Directors in the shares of the ultimate Holding Company were as follows:

	30th September 2012	30th September 2011
Ordinary Shares of £1 Each	Number	Number
J.W. Wright	631,593	631,593

None of the other Directors had any interest in the shares of the Holding Company. No Director was materially interested during the period in any contract which was significant in relation to the business of the Company.

WRIGHTBUS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30th SEPTEMBER 2012 (continued)

Changes in fixed assets

The movements in fixed assets during the year are set out in note 7.

Insurance of Directors

The Company maintains insurance for the Directors in respect of their duties as Directors of the Company.

Employees

Within the bounds of commercial confidentiality, management disseminates information to all levels of staff about matters that affect the progress of the Company and are of interest and concern to them as employees. The Company continues to be committed to increasing the involvement of employees in the drive to improve performance and promote a Total Quality culture within its business.

Employment of disabled people

The Company recognises and accepts its obligations to employ disabled people (including those becoming disabled while employed by the Company) and does what is practicable to fulfil them. Applications for employment from disabled persons are carefully considered and their aptitudes and abilities are taken fully into account. Training and promotional opportunities are made available to disabled employees in the same way as to other employees.

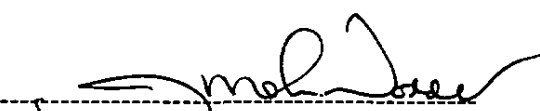
Policy on payment of creditors

It is the Company's policy to agree payment terms with its suppliers in the advance of supply of goods and to adhere to those terms provided that the suppliers comply with their obligations. At 30th September 2012, the amount the Company owed its suppliers represented 54 working days' purchases (2011: 90 days).

Auditors

A resolution for the appointment of auditors will be proposed at the Annual General Meeting.

Approved by the Board on 25th February 2013 and signed on its behalf by:



Mark Nodder - Company Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WRIGHTBUS LIMITED

(Company registration number NI006119)

We have audited the financial statements of WRIGHTBUS LIMITED for the year ended 30th September 2012, set out on pages 8 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Sections 495 and 496 of The Companies Act 2006. Our work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30th September 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and,
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

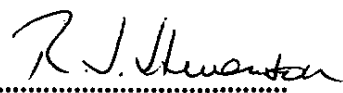
WRIGHTBUS LIMITED

INDEPENDENT AUDITORS' REPORT (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



R.J. Stevenson
Senior Statutory Auditor

for and on behalf of:
Stevenson and Wilson, Statutory Auditor

22-30 Broadway Avenue
Ballymena
BT43 7AA

25th February 2013

WRIGHTBUS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th SEPTEMBER 2012

		2012	2011
	Notes	£	£
Turnover	27	156,535,237	132,767,336
Cost of sales		129,378,996	113,317,662
Gross profit		27,156,241	19,449,674
Other operating expenses		23,671,992	18,306,001
		3,484,249	1,143,673
Other operating income		460,565	346,058
Operating profit	2	3,944,814	1,489,731
Other interest receivable and similar income		625	8,000
		3,945,439	1,497,731
Interest payable and similar charges	5	94,452	181,582
Profit on ordinary activities before taxation		3,850,987	1,316,149
Taxation charge	6	1,065,120	406,713
Profit for the financial year	20	2,785,867	909,436

A separate statement of total recognised gains and losses is not presented as the only gains and losses arising are fully disclosed in the profit and loss account.

All turnover derives from continuing operations.

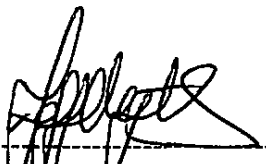
There is no difference between the reported profit and the historical cost equivalents.

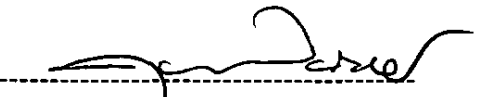
WRIGHTBUS LIMITED

BALANCE SHEET AS AT 30th SEPTEMBER 2012

		2012	2011
	Notes	£	£
Fixed assets			
Tangible assets	7	9,657,575	10,225,610
Intangible assets	8	20,666	28,666
Investments	9	0	1,490
		<u>9,678,241</u>	<u>10,255,766</u>
Current assets			
Stocks	10	19,373,806	21,325,319
Debtors	11	16,455,059	19,813,412
Cash at bank and in hand		2,579,097	3,265,436
		<u>38,407,962</u>	<u>44,404,167</u>
Creditors (due within one year)			
Bank loan and overdraft	12	71,860	103,350
Trade creditors	13	18,693,133	26,444,984
Other creditors	14	8,983,507	8,641,349
		<u>27,748,500</u>	<u>35,189,683</u>
Net current assets		<u>10,659,462</u>	<u>9,214,484</u>
Total assets less current liabilities		<u>20,337,703</u>	<u>19,470,250</u>
Creditors (due after more than one year)	15	131,816	585,888
Deferred income	16	1,127,705	1,152,274
Provisions for liabilities and charges	17	5,559,880	4,999,653
Net assets		<u>13,518,302</u>	<u>12,732,435</u>
Capital and reserves			
Called-up share capital	18	1,450,000	1,450,000
Capital redemption reserve	19	100,000	100,000
Profit and loss account	20	11,968,302	11,182,435
Shareholder's funds	21	<u>13,518,302</u>	<u>12,732,435</u>

Approved by the Board on 25th February 2013:


Jeffrey Wright - Director


Mark Nodder - Director

The notes on pages 11 to 22 form part of these accounts

WRIGHTBUS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30th SEPTEMBER 2012

		2012	2011
	Notes	£	£
Net cash inflow from operating activities	22	3,608,259	10,026,941
Returns on investments and servicing of finance:			
Interest received and similar income		625	8,000
Interest paid		(94,452)	(181,582)
Net cash outflow from returns on investments and servicing of finance		(93,827)	(173,582)
Taxation			
Corporation tax and group relief paid		(772,680)	(12,797)
Corporation tax refund received		0	792,942
Net cash (outflow)/inflow from taxation		(772,680)	780,145
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(615,165)	(714,651)
Receipts from sales of tangible fixed assets		27,352	2,700
Net cash outflow from capital expenditure		(587,813)	(711,951)
Equity dividends paid		(2,000,000)	(150,000)
Financing			
Increase in amounts due from group undertakings		(350,346)	(2,861,355)
Net repayment of bank loans		(485,392)	(101,722)
Repayment of capital under hire purchase and finance leases		(4,370)	(8,741)
Net cash outflow from financing		(840,108)	(2,971,818)
(Decrease)/increase in cash for the year	23	(686,169)	6,799,735

The notes on pages 11 to 22 form part of these accounts

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2012

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below:

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

Government grants

Capital grants that relate to specific capital expenditure are treated as deferred income and credited to the profit and loss account on a straight line basis over the related assets useful economic life. Revenue grants are credited to the profit and loss account in the period in which the related expenditure is incurred.

Pension scheme

The Company operates a defined contribution pension scheme for certain Directors and employees. The assets of the scheme are held separately from those of the Company in an independently administered fund, and contributions are charged to profit and loss account as incurred.

Research and development costs

Expenditure on research and development activities undertaken with the prospect of gaining new technical knowledge and understanding is charged to the profit and loss account in the period in which it is incurred. Research and development expenditure in connection with a specific contract is deferred and released to profit and loss account in line with the income recognition on that contract.

Tangible fixed assets

Depreciation is calculated so as to write off the cost, or valuation of tangible fixed assets less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Long leasehold buildings	4
Plant and machinery	15, 20 & 25
Motor vehicles	25

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Principal accounting policies (continued)

Intangible fixed assets

Expenditure on intellectual property is capitalised and amortised over the period expected to benefit. An amortisation rate of 10% on a straight line basis has been used for this purpose.

Deferred taxation

Deferred tax is accounted for on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets have not been recognised on the grounds that future reversal and recoverability is uncertain.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. In the case of manufactured products, cost includes all direct overheads, labour and material costs. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Long-term contracts

The amount of long-term contracts, at costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account not matched with turnover, is included in work in progress and stock as long-term balances. The amount by which recorded turnover is in excess of payments on account is included in debtors as amounts recoverable on long-term contracts. Payments in excess long-term contract balances are included in creditors as payments received on account.

Provision for costs under warranties

Estimated costs related to product warranties are accrued at the time the vehicles are supplied. Estimates are established using the best judgment of the Directors on the likely future costs to be incurred, using historical information where available, and measured against reported product defects at the time the financial statements are prepared.

Extended service plans

Income received in respect of extended service plans is credited to the profit and loss in the period in which the profit on each contract can be ascertained.

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Principal accounting policies (continued)

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date or at a contracted rate if applicable and any exchange differences arising are taken to the profit and loss account.

2. Operating profit	2012	2011
Operating profit is stated after crediting:	£	£
Amortisation of government capital grants	72,150	98,381
Profit on disposal of fixed assets	19,321	2,700
and after charging:		
Auditors remuneration - audit fees	51,450	54,200
- non-audit services	27,528	11,304
Depreciation of tangible fixed assets	1,175,169	1,231,145
Research and development costs (net of depreciation)	3,200,326	2,025,055
Amortisation of intangible fixed assets	8,000	8,000
Operating lease rentals - motor vehicles	120,104	138,782
3. Directors' emoluments	2012	2011
The remuneration receivable by the Directors was:	£	£
Aggregate emoluments (including benefits in kind)	1,329,179	1,033,195
Pension contributions	123,627	100,234
	<u>1,452,806</u>	<u>1,133,429</u>

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Employee information

The average weekly number of persons (including executive Directors) employed during the year was 1,044 (2011: 899) as follows:

	2012	2011
Production	982	838
Selling and distribution	12	11
Administration	50	50
	-----	-----
	1,044	899
	=====	=====

Staff costs (for the above persons)	£	£
Wages and salaries	27,455,407	22,125,558
Social security costs	2,703,965	2,160,742
Other pension costs	311,380	285,833
	-----	-----
	30,470,752	24,572,133
	=====	=====

5. Interest payable and similar charges

	2012	2011
	£	£
On bank loans and overdrafts	90,961	178,923
Other interest payable	3,491	2,659
	-----	-----
	94,452	181,582
	=====	=====

6. Taxation charge

	2012	2011
	£	£
UK current tax(below)	1,024,866	397,361
Adjustment in respect of prior years	(91,629)	(3,445)
Payment for group relief	131,883	12,797
	-----	-----
	1,065,120	406,713
	=====	=====

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Taxation (continued)	2012	2011
	£	£
Reconciliation of effective tax charge		
Tax on profit at standard rate of UK tax	962,747	368,522
Effects of:		
- expenses not deductible for tax purposes	51,430	19,374
- release of deferred grant not chargeable to tax	(18,038)	(27,546)
- increase in deferred tax asset not recognised	160,610	76,938
- industrial buildings allowance	0	(11,895)
- group relief receivable	(131,883)	(12,797)
- changes in the standard rate of UK corporation tax	0	(15,235)
UK current tax	<u>1,024,866</u>	<u>397,361</u>

7. Tangible assets	Long leasehold land and buildings	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost at 1st October 2011	12,864,864	8,956,881	423,840	22,245,585
Additions	92,595	462,405	60,165	615,165
Disposals	0	(258,762)	(73,826)	(332,588)
Cost at 30th September 2012	<u>12,957,459</u>	<u>9,160,524</u>	<u>410,179</u>	<u>22,528,162</u>
Depreciation at 1st October 2011	4,390,916	7,404,359	224,700	12,019,975
Charge for the year	498,008	594,619	82,542	1,175,169
Disposals	0	(258,762)	(65,795)	(324,557)
Depreciation at 30th September 2012	<u>4,888,924</u>	<u>7,740,216</u>	<u>241,447</u>	<u>12,870,587</u>
Net book value at 30th September 2012	<u>8,068,535</u>	<u>1,420,308</u>	<u>168,732</u>	<u>9,657,575</u>
Net book value at 30th September 2011	<u>8,473,948</u>	<u>1,552,522</u>	<u>199,140</u>	<u>10,225,610</u>

Included in long leasehold land and buildings is the amount of £448,911 (2011: £448,911) relating to land which is not depreciated.

The net book value of motor vehicles includes £Nil (2011: £11,117) of assets held under finance leases.

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Intangible fixed assets - Intellectual Property	2012	2011
	£	£
Cost at 1st October 2011	115,000	115,000
Cost at 30th September 2012	115,000	115,000
Amortisation at 1st October 2011	86,334	78,334
Charge for the year	8,000	8,000
Amortisation at 30th September 2012	94,334	86,334
Net book value at 30th September 2012	20,666	28,666

9. Investments	2012	2011
	£	£
Quoted shares - at cost	0	1,490

The investments were disposed of during the year.

10. Stocks	2012	2011
	£	£
Raw materials and consumables	6,866,646	10,709,052
Work in progress	11,745,169	9,201,488
Finished goods	761,991	988,117
Long term contract balances	0	426,662
	19,373,806	21,325,319

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Debtors	2012	2011
	£	£
Trade debtors	15,529,173	13,719,185
Amounts recoverable on contracts: due within one year	201,554	4,536,234
Prepayments and accrued income	306,455	724,066
Due from group undertakings	407,637	824,990
Other debtors	10,240	8,937
	16,455,059	19,813,412

Trade debtors includes amounts totalling £31,109 due from group undertakings.

12. Bank loan and overdraft

The advances made by the Bank of Ireland to the Company are secured by the following:

- (a) Debenture over Company assets including fixed charge on book debts and specific charge on plant and machinery
- (b) First legal charge over the factory premises.

13. Trade creditors

Substantially all of the amounts due to trade creditors have been incurred under conditions of sale which include terms relating to the reservation of title of goods supplied until payment is made.

Included in the trade creditors balance are amounts totalling £662,753 due to fellow Group Companies.

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Other creditors (due within one year)	2012	2011
	£	£
Other taxation and social security	2,592,874	3,833,507
Accruals and deferred income	1,825,931	1,348,908
Payments received on account	2,669,849	1,091,688
Corporation tax	557,916	397,360
Amounts due to group undertakings	1,281,883	1,917,699
Pensions and similar obligations	55,054	47,817
Obligations under hire purchase and finance leases	0	4,370
	<u>8,983,507</u>	<u>8,641,349</u>

15. Creditors (due after more than one year)	2012	2011
	£	£
Bank loan	<u>131,816</u>	<u>585,888</u>

These amounts are estimated to be payable as follows:

1-2 years	73,122	105,264
2-5 years	58,694	238,463
more than 5 years	0	242,161
	<u>131,816</u>	<u>585,888</u>

The Bank holds security for the loan as stated in note 12 above.

16. Deferred income	2012	2011
	£	£
Capital grants	925,717	997,867
Extended service plans	201,988	154,407
	<u>1,127,705</u>	<u>1,152,274</u>

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Provision for liabilities and charges	2012	2011
	£	£
Warranty provision		
At 1 st October 2011	4,999,653	5,280,981
Provided in the year	3,345,006	2,318,270
Utilised in the year	(2,784,779)	(2,599,598)
	<u>-----</u>	<u>-----</u>
At 30th September 2012	5,559,880	4,999,653
	<u>=====</u>	<u>=====</u>
18. Called-up share capital	2012	2011
	£	£
Allotted, called-up and fully paid:		
1,450,000 Ordinary shares of £1 each	1,450,000	1,450,000
	<u>=====</u>	<u>=====</u>
19. Capital redemption reserve	2012	2011
	£	£
Balance at 30th September 2012	100,000	100,000
	<u>=====</u>	<u>=====</u>
20. Profit and loss account	2012	2011
	£	£
At 1st October 2011	11,182,435	10,422,999
Profit for the financial year	2,785,867	909,436
Dividends paid	(2,000,000)	(150,000)
	<u>-----</u>	<u>-----</u>
At 30th September 2012	11,968,302	11,182,435
	<u>=====</u>	<u>=====</u>

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. Reconciliation of movement in shareholders' funds

	2012	2011
	£	£
At 1st October 2011	12,732,435	11,972,999
Profit for the financial year	2,785,867	909,436
Dividends paid	(2,000,000)	(150,000)
	-----	-----
At 30th September 2012	13,518,302	12,732,435
	=====	=====

22. Reconciliation of operating profit to net cash outflow from operating activities

	2012	2011
	£	£
Operating profit	3,944,814	1,489,731
Depreciation and amortisation	1,183,169	1,239,145
Amortisation of capital grants	(72,150)	(98,391)
Loss on disposal of fixed asset investments	1,490	0
Profit on disposal of fixed assets	(19,321)	(2,700)
Decrease/(increase) in stocks	1,951,513	(3,455,849)
Decrease/(increase) in debtors (excluding Group undertakings)	2,941,000	(378,918)
(Decrease)/increase in creditors (excluding Group undertakings)	(6,322,256)	11,233,913
	-----	-----
Net cash inflow from operating activities	3,608,259	10,026,941
	=====	=====

23. Analysis of changes in cash and cash equivalents during the year

	2012	2011
	£	£
Balance at 1st October 2011	3,265,266	(3,534,469)
Net (decrease)/increase in cash	(686,169)	6,799,735
	-----	-----
Balance at 30th September 2012	2,579,097	3,265,266
	=====	=====

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Analysis of changes in net funds

	Cash at bank	Bank overdrafts	Finance leases	Bank loans	Net funds
	£	£	£	£	£
Opening balance	3,265,436	(170)	(4,370)	(689,068)	2,571,828
Cash flow	(686,339)	170	4,370	485,392	(196,407)
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Closing balance	<u>2,579,097</u>	<u>0</u>	<u>0</u>	<u>(203,676)</u>	<u>2,375,421</u>

25. Pensions

The Company operates a defined contribution pension scheme for its Directors and certain senior management staff. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge for the year amounted to £311,380 (2011: £285,833).

26. Capital commitments

There were no capital commitments at the balance sheet date (2011: none).

27. Turnover

The turnover and profit before tax attributable to different classes of business and markets has not been shown in these accounts, as in the opinion of the Directors, disclosure of this information would be seriously prejudicial to the interest of the Company.

28. Operating leases

At 30th September 2012 the Company had annual commitments under operating leases for motor vehicles as detailed below:

	2012	2011
	£	£
Lease expiring:		
within one year	82,215	47,267
within 2 - 5 years	29,831	72,666
	<u>-----</u>	<u>-----</u>
	<u>112,046</u>	<u>119,933</u>

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. Derivative financial instruments

In order to mitigate the risk of exposure to foreign currency fluctuations the Company enters into forward exchange contracts. The principle amounts of forward contracts and the difference between the spot rate and the forward contract rate at the year end were as follows:

	2012	2011
	£	£
US Dollar		
Principle amount of forward contracts	1,289,527	1,824,817
Unrealised deficit between spot and forward contract rates	43,646	64,818
Euro		
Principle amount of forward contracts	7,670,712	14,526,649
Unrealised deficit between spot and forward contract rates	110,965	299,336

30. Related party transactions

The Company has taken advantage of the exemption provision of FRS 8 "Related party transactions" not to disclose related party transactions with entities that are part of the Group or which qualify as related parties of the Group. The Company is a 100% subsidiary of a Parent Company, the consolidated financial statements of which are publicly available.

During the year the Company paid The Washbasin Limited £21,000 for the provision of family care services to Company employees. The Washbasin Limited is a related entity by virtue of common control.

31. Ultimate controlling party

The Company is a 100% subsidiary of Wrights Group Limited and its ultimate Parent Company is The Cornerstone Group Limited. Mr J.W. Wright is considered to be the ultimate controlling party.